

Intellectual Capital Reporting (ICR) („Wissensbilanz“) - Made in Austria

The Austrian approach, experience made & a look into the future

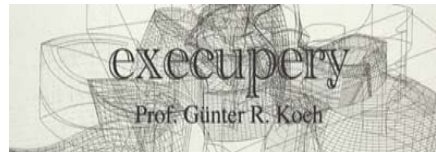
Contribution in the framework of the seminar
Intellectual Capital for Communities

June 20th, 2005,

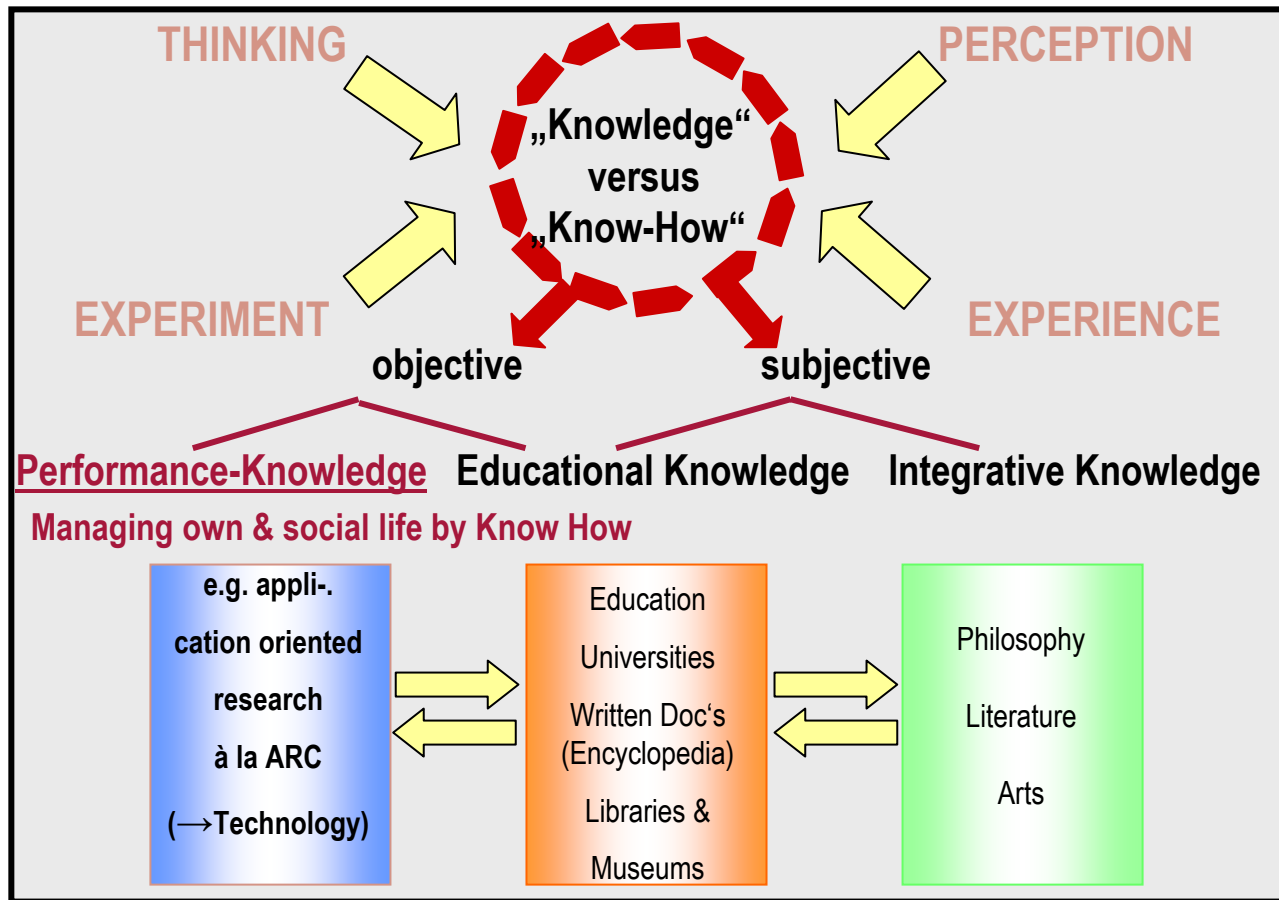
F-75016 Paris, World Bank Office, 66, Avenue d'Iéna

by

Prof. Günter Koch



What is Knowledge? What is Know How?





2003 - an anniversary: 5 years of ICR at ARC= in **A**



1999

2000

2001

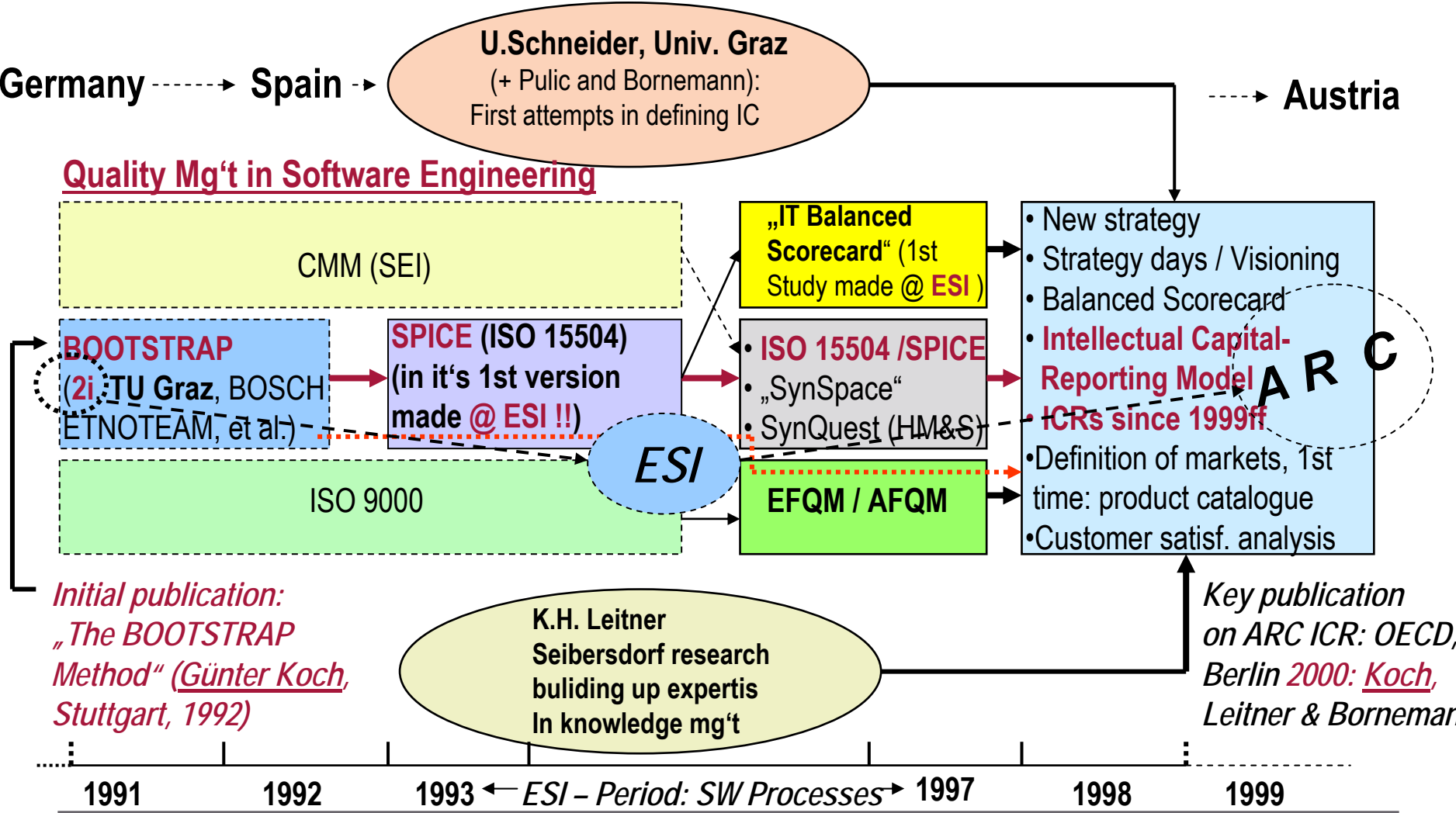
2002

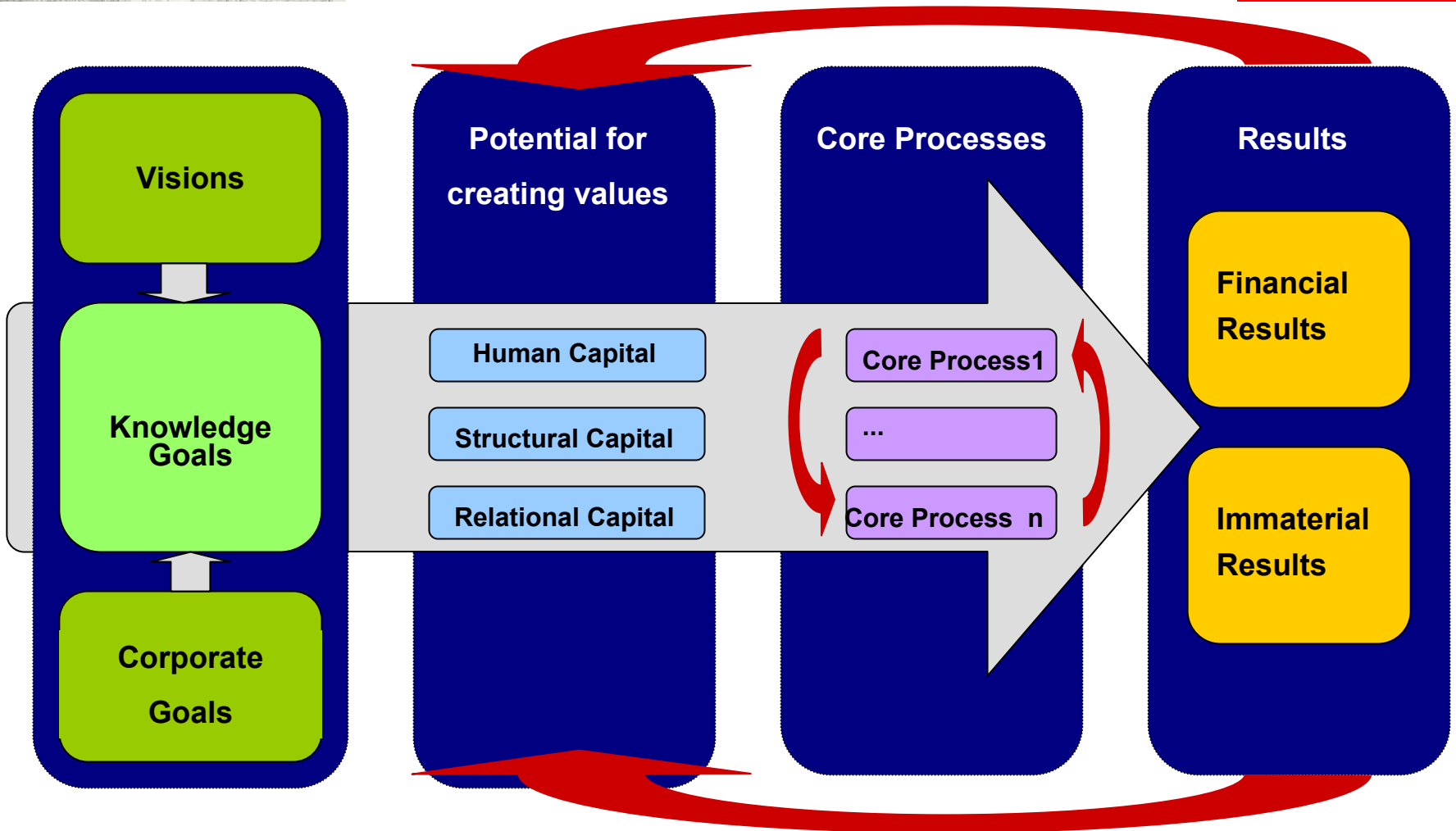
2003

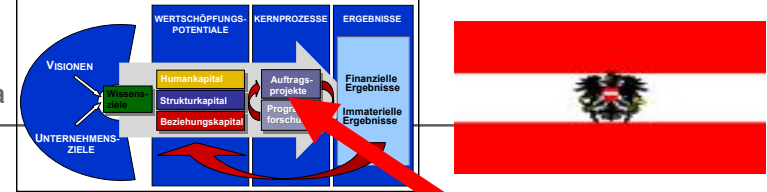
...



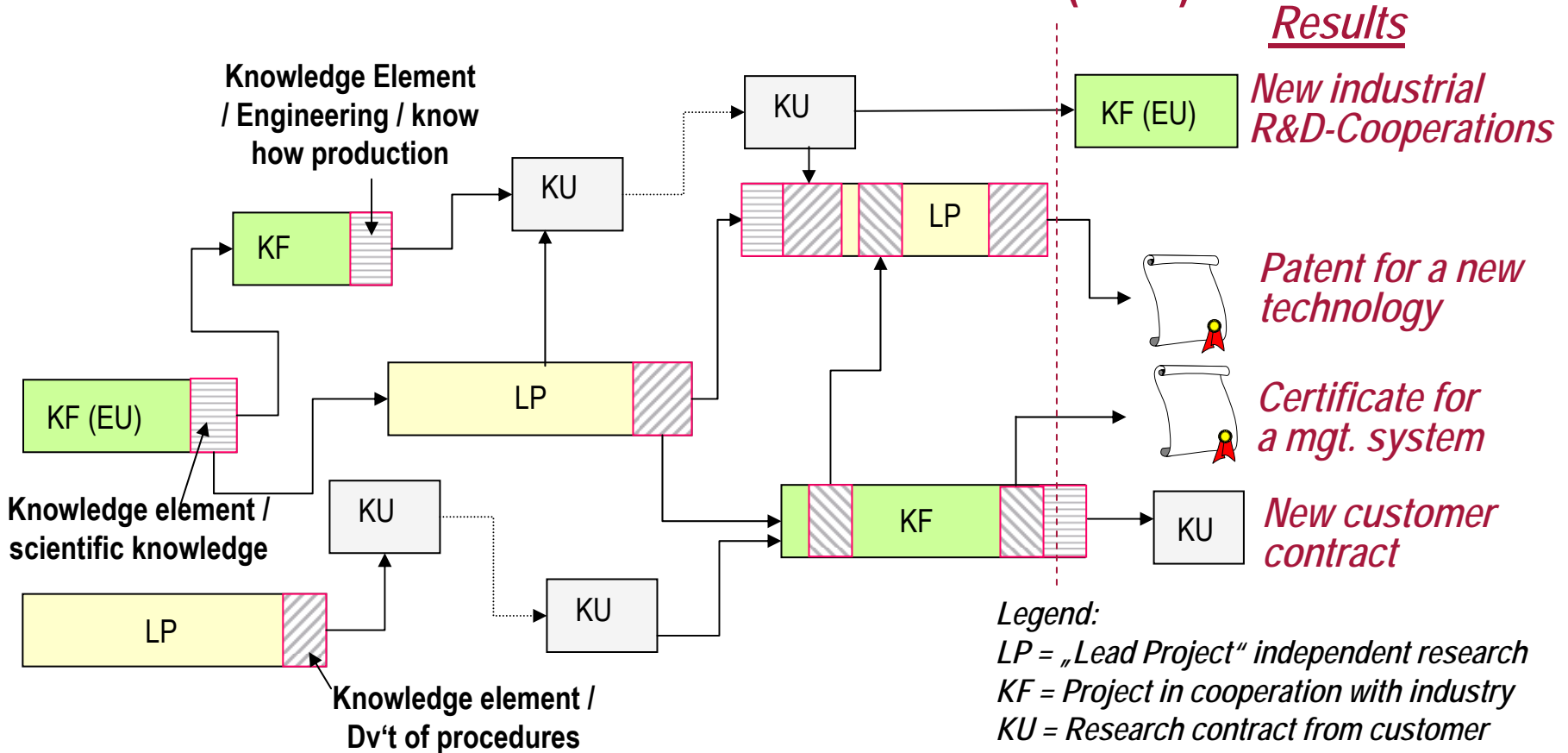
The history towards the Austrian ICR method

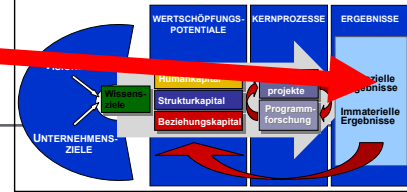




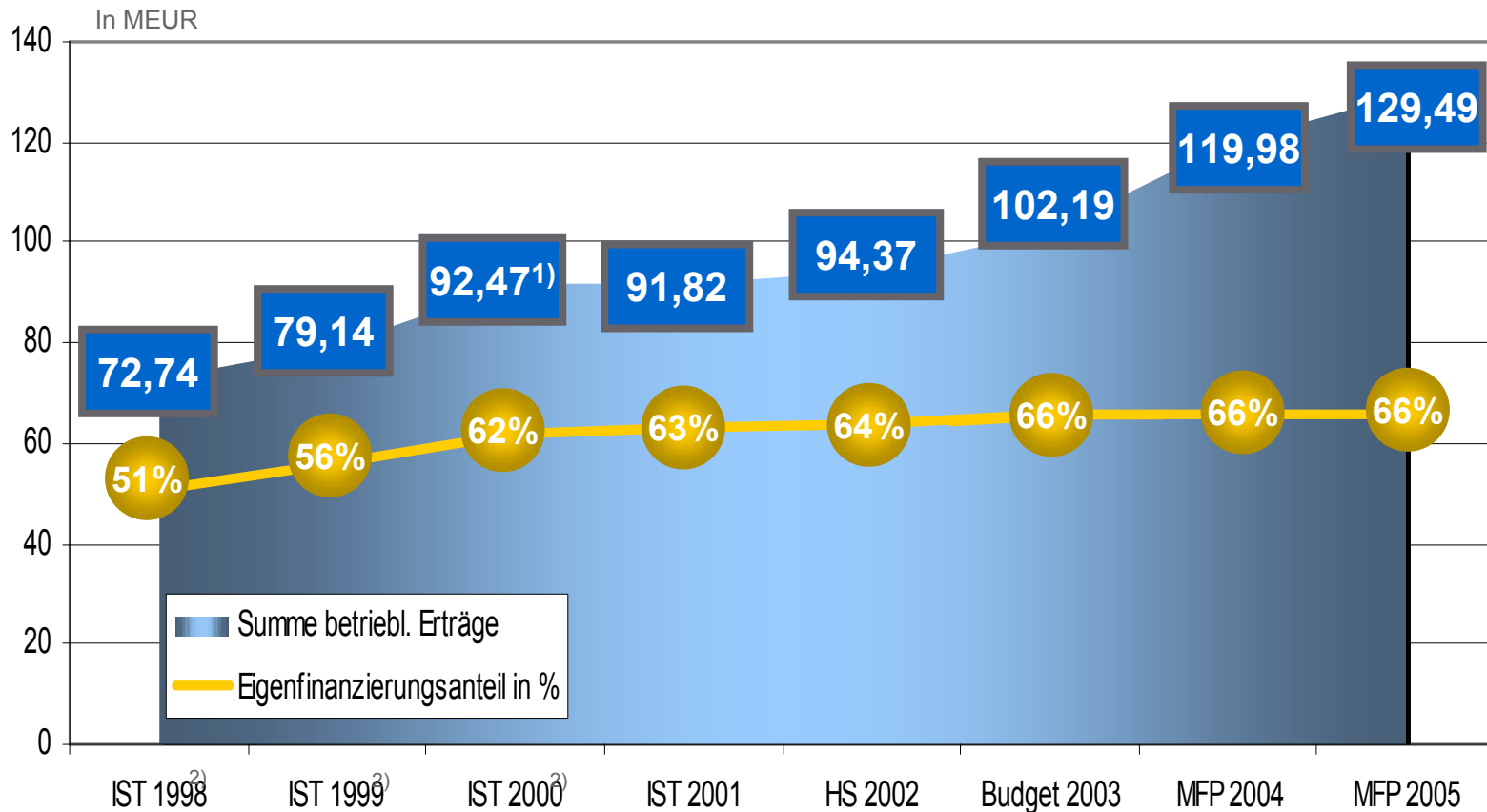


An example for value creating processes at the *Austrian Cesearch Centers (ARC)*





Consolidated Financial Results (1998-2003 (+2) Austrian Research Centers-Group)



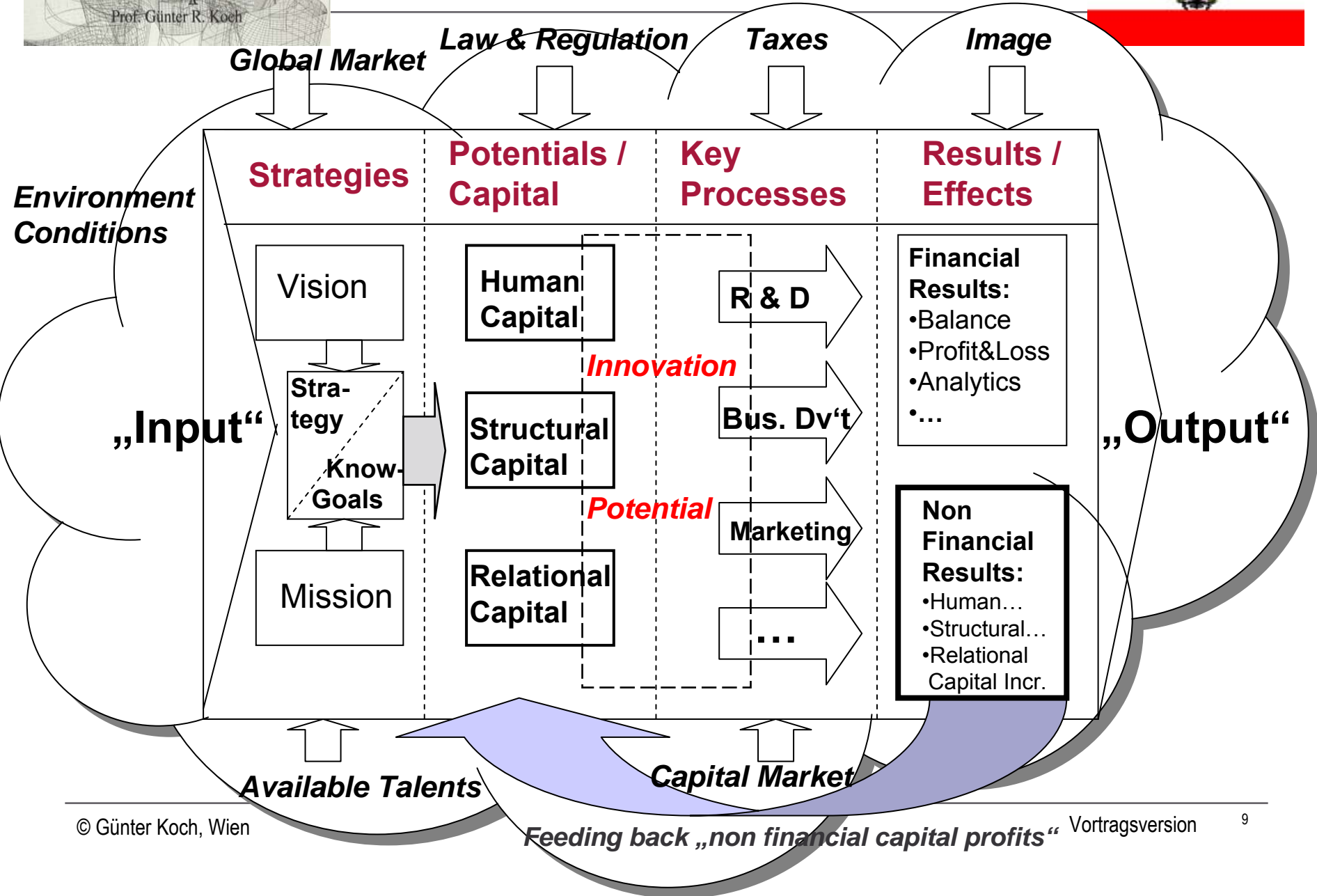
1) inkl. ca. 0,64 Mio Eur Leistungen innerhalb der ARC-Gruppe

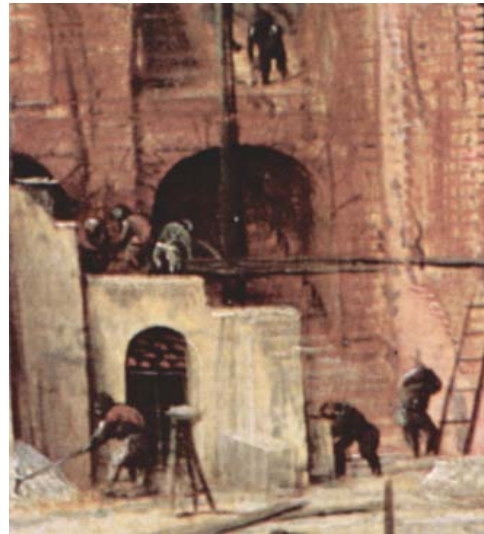
2) Summe betrieblicher Erträge inkl. Investitionszuschüsse 1998: 1,60 1999: 2,05 2000: 1,09

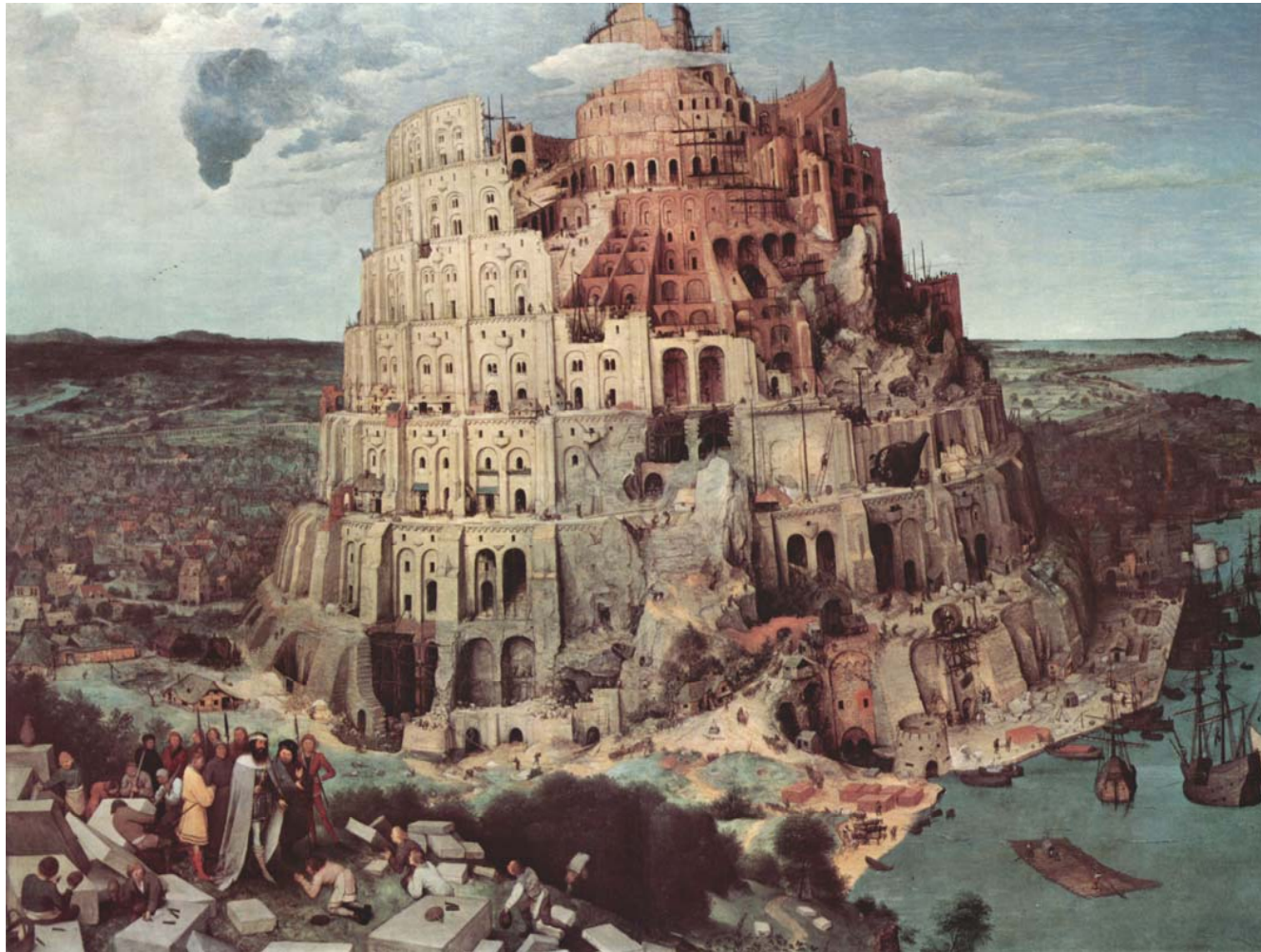


The basic differences in the structuring of categories of intangible capital in major models

ARC (Koch, Schneider, Leitner)	Human Capital	Relational Capital		Structural Capital			
Skandia Navigator (Edvinsson, Malone)	Human Capital	Customer Capital		Structural Capital			
Intangible Asset Monitor (Sveiby)	Human Capital	External Structure		Internal Structure			
Calculated Intangible Value (Stewart)	Human Capital	Customer Capital		Structural Capital			
Intellectual Capital Audit (Brooking)	Human Capital	Market Assets		Infra-structure Assets	Intellectual Property Assets		
German Wissensbilanz-Model (←ARC)	Human Capital	Relational Capital		Structural Capital			
German Draft Accounting Model	Human Capital	Customer Capital	Supplier Capital	Process Capital	Inno- Vation Capital	Loca- tion Capit.	<i>Investor Capital</i>

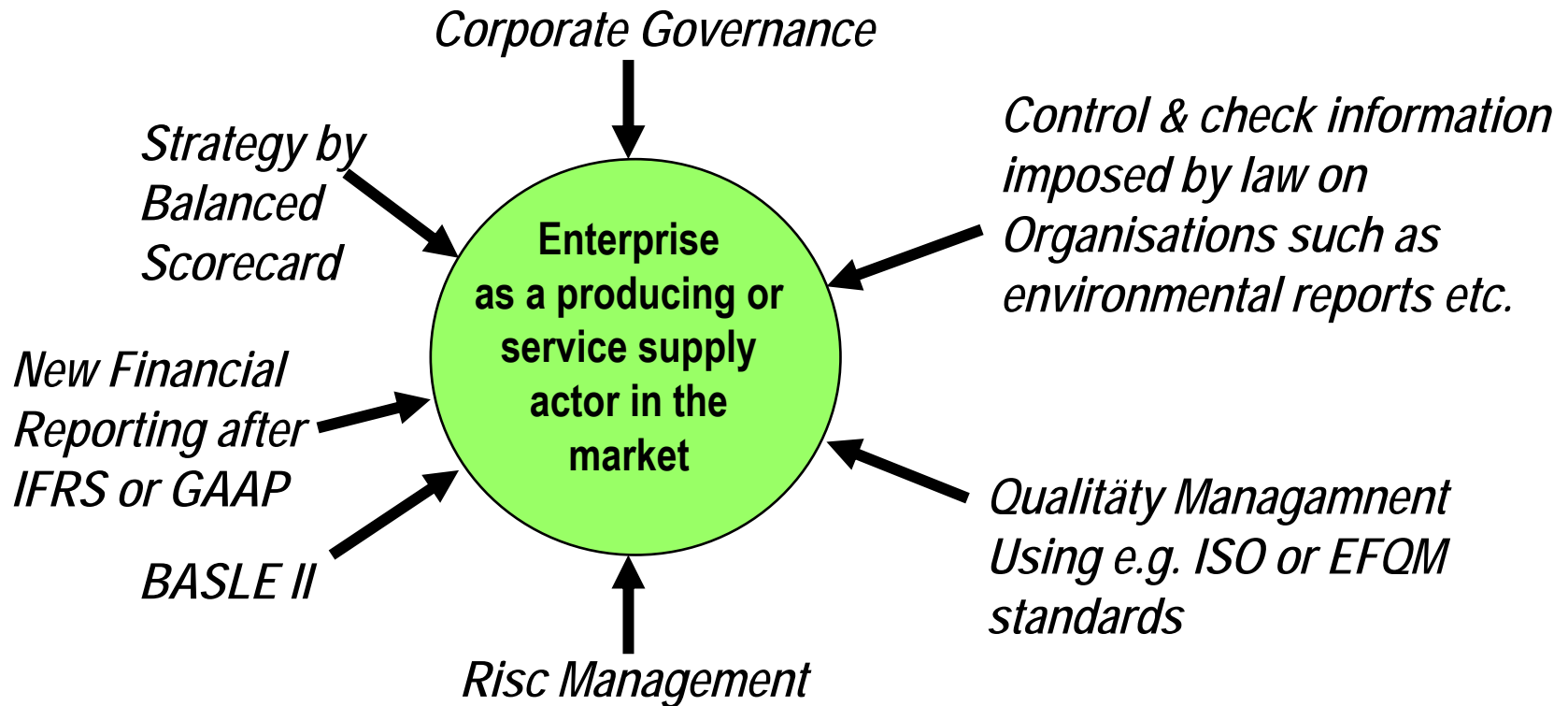


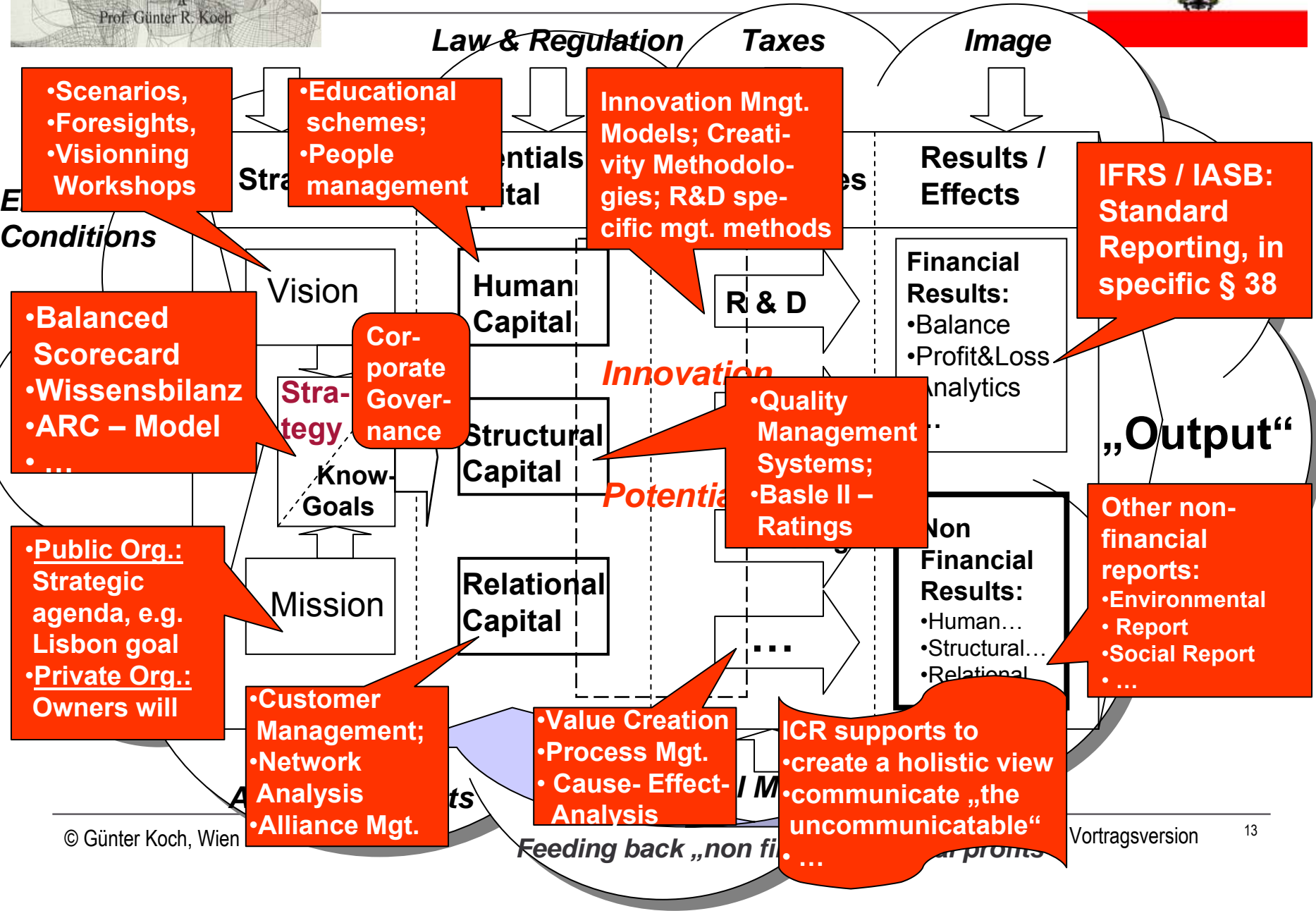






IC Reporting supports the re-integration of several approaches governing today's companies' mgt.





•Scenarios,
•Foresights,
•Visioning
Workshops

•Educational
schemes;
•People
management

Innovation Mngt.
Models; Creati-
vity Methodolo-
gies; R&D spe-
cific mgt. methods

IFRS / IASB:
Standard
Reporting, in
specific § 38

•Balanced
Scorecard
•Wissensbilanz
•ARC – Model
• ...

Cor-
porate
Gover-
nance

•Quality
Management
Systems;
•Basle II –
Ratings

Other non-
financial
reports:
•Environmental
• Report
•Social Report
• ...

•Public Org.:
Strategic
agenda, e.g.
Lisbon goal
•Private Org.:
Owners will

•Customer
Management;
•Network
Analysis
•Alliance Mgt.

•Value Creation
•Process Mgt.
• Cause- Effect-
Analysis

ICR supports to
•create a holistic view
•communicate „the
uncommunicatable“
• ...



2003 - an anniversary: 5 years of ICR at ARC= in **A**



1999

2000

2001

2002

2003

...



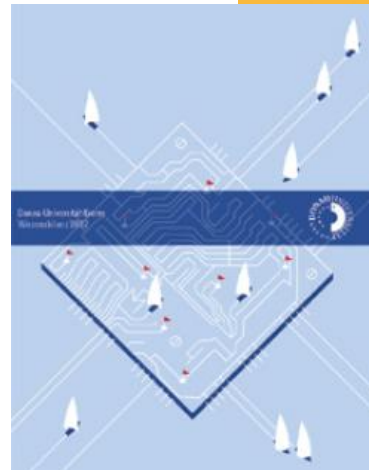
Austria (after Scandinavia, but as the pioneer in the German speaking countries) has run a set of remarkable pilot projects in IC-Reporting

Compound publication on IC - Reporting by Austrian universities



ICR in large industry (2001)

Austrian National Bank: 1st European Nat. Bank providing an ICR



1st complete ICR of a university: Danube University Kreams (2002)



Action: ICR for smallish companies



The originals since 1999: ICRs of the Austrian Research Centers (ARC Wissensbilanz)

My subjective resumee after 5 years of experience with ICR

- **ICR** is *one method* of analysis *amongst several*
- **ICR** supports *a holistic strategic view*, in my concrete case being applied in order to manage the „turn around“ of a research organisation (ARC)
- **IC reporting** as a process needs an **accompanying quality strategy** in order that nonsense or even damaging conclusions will not be produced
- The **ICR reference model** provides for an excellent basis for discussions on an organisation's knowledge economics and competitiveness
- The currently **ICR** methods in use are well suited in order to analyse organisations which, first hand, have non-economic objectives (such as social agents, hospitals, museums, universities, ...)
- The rules governing the transformation of **IC values** into *„monetary values“* need further intensive academic research

A set of questions to be solved from a „theoretical practitioners“ point of view

- „Statistics“: Is classical statistical analysis sufficient (by method)?
Knowledge is not a subject to be acquired by numbers only, rather than by the „right“ interpretations → the right models are needed !
- Can models used at microeconomic level also applied on macro-economic level? My position is: yes, under certain adaptations.
(Some colleagues think, that this is not possible. Evidently those who are publishing „regional knowledge analysis studies“ make implicit assumptions about a „knowledge society & economy model“ without making clear what they mean by „knowledge economy“ ?
- **We are about to step over the doorstep toward a *new science theory*. The deficiencies identified in methods, practice and „new understanding“ need a new momentum and movement, which is launched today through the MANIFESTO announced in this seminar.**



Prof. DI Günter Koch
execupery @ TechGate
Donau-City 1
A-1220 Wien, Austria
Tel. +43-699-19412152
Fax +43-1-9412152
e-mail: koch@execupery.com